



ABLE

Achieving A Better Life Experience

Background

- Following the passage of the Achieving a Better Life Act (ABLE) on the federal level, Illinois adopted Senate Bill 1383, with the support of Treasurer Frerichs.
 - SB 1383 enables the Treasurer's Office to create an Illinois ABLE program. The bill passed both houses unanimously, and was signed into law in July 2015.
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- The law creates a federally tax-advantaged savings program that will allow for individuals to save for disability-related expenses.
 - ABLE allows individuals to set aside money for future qualified expenses, invest these funds in professionally designed savings accounts, and retain their Federal benefits.

ABLE Program Overview

Individual beneficiaries must be disabled (defined as being entitled to benefits based on blindness or disability under Title II or XVI of the Social Security Act, or have a "disability certification" filed with the Treasurer Secretary) AND must have been disabled before age 26 in order to receive benefits under the program.

Due to the predicted small pool size and high transaction rate of ABLE programming, state administrators anticipate that fees will be higher than comparable tax-advantaged savings programs. Illinois has partnered with several states to create a multi-state ABLE consortium that will allow states to achieve higher economies of scale to lower fees for program participants.

Currently, multiple states have signed an interstate agreement to work on joint programming. An additional half-dozen states have signed non-disclosure agreements in order to participate in consortium working groups.

For many families, having a child with blindness or a physical or developmental disability can create an inordinate toll on their household budget.

Estimated average annual cost per family with a child with disabilities*

\$30,500

*The Future of Children - Princeton/Brookings



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